

Message Text

LIMITED OFFICIAL USE

PAGE 01 JIDDA 00276 141419Z

40

ACTION EB-07

INFO OCT-01 ARA-06 EUR-12 EA-06 NEA-09 ISO-00 TRSE-00

SSO-00 NSCE-00 USIE-00 INRE-00 AID-05 L-02 NSC-05

CIAE-00 INR-07 NSAE-00 PA-01 RSC-01 PRS-01 SP-02

FRB-01 CIEP-01 OMB-01 FEAE-00 AF-06 COME-00 XMB-02

OPIC-03 SS-15 /094 W

----- 022501

O R 141330Z JAN 75

FM AMEMBASSY JIDDA

TO SECSTATE WASHDC IMMEDIATE 9819

INFO AMEMBASSY ABU DHABI

AMEMBASSY BRUSSELS

AMEMBASSY CARACAS

AMCONSUL DHAHRAN

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TEHRAN

AMEMBASSY TOKYO

LIMITED OFFICIAL USE JIDDA 276

E.O. 11652: N/A

TAGS: EFIN

SUBJECT: U.S. TRUST FUND PROPOSAL: SAUDI REACTION

REF STATE 4030 NOTAL

1. SAUDI ARABIAN MONETARY AGENCY GOVERNOR ABDUL AZIZ

QURAYSHI MADE FOLLOWING POINTS TO ACTING DCM JAN 13:

--SAG HAD MADE DECISION LONG AGO TO AID THE STATES

WHO WERE IN REAL NEED AND WAS DOING SO.

--SAG HAD MADE POLICY CHOICE THAT IMF WAS NEEDED TO

"INSULATE AID FROM POLITICS."

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 JIDDA 00276 141419Z

--THERE WERE TWO WAYS THAT HAD BEEN SUGGESTED IN IMF STAFF PAPERS BY WHICH THESE STATES COULD BE OFFERED SPECIAL FINANCIAL ASSISTANCE WITHOUT VIOLATING THE IMF RULES AGAINST DISCRIMINATION IN TREATMENT AMONG MEMBER COUNTRIES. THE FIRST IDEA WAS THAT RICHER MEMBERS WOULD MAKE SPECIAL CONCESSIONAL LOANS TO THE IMF IN A RATIO FOR EXAMPLE OF ABOUT 90 PERCENT AT REGULAR RATES AND TEN PERCENT AT CONCESSIONAL. THE SAVINGS WOULD THEN BE PASSED ON TO THOSE STATES NEEDING LOWER INTEREST RATES. SECOND, CONTRIBUTIONS COULD BE MADE ON A VOLUNTARY BASIS DIRECTLY TO THE IMF OR TO THE BORROWING STATES TO COVER PART OF THE INTEREST COSTS. ADCM SUGGESTED THAT U.S. DELEGATION COULD WORK WITH SAUDI DELEGATES ABD AL AZIZ RASHID OR KHALID AL GOSAYBI AND BRIEF THEM FURTHER ON THE U.S. PROPOSALS. GOVERNOR QURAYSHI AGREED.

2. QURAYSHI REACTED NONCOMMITTALLY TO THE IDEA OF SAG PARTICIPATION IN A WORKING GROUP (REFTEL) BUT POINTED OUT THAT REFERENCES TO OPEC COUNTRY PARTICIPATION IN SUCH A GROUP WAS AN INCORRECT CONCEPT. NOT ALL THE PRODUCING COUNTRIES IN OPEC WERE IN SURPLUS AND THERE WERE OTHER SURPLUS COUNTRIES OUTSIDE OPEC, NOTABLY GERMANY.

3. AFTER THIS, EMBASSY WOULD LIKE MORE COMPLETE UNDERSTANDING OF VARIOUS OPTIONS BEING PROPOSED IN IMF MEETINGS IN TIME TO MAKE REPRESENTATIONS TO SAG. LACK OF FIRM INFORMATION AND FACT THAT HOST GOVERNMENT OFTEN SEEMS TO KNOW MORE ABOUT WHAT IS GOING ON THAN WE DO PLACES US (AND THEREFORE THE U.S.) AT A VERY REAL DISADVANTAGE.
AKINS

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: ECONOMIC ASSISTANCE, LESS DEVELOPED COUNTRIES, TRUST FUNDS, DEVELOPMENT PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 14 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975JIDDA00276
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750014-0024
From: JIDDA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750154/aaaabvbw.tel
Line Count: 94
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 75 STATE 4030
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 16 APR 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <16 APR 2003 by MartinML>; APPROVED <17 APR 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: U.S. TRUST FUND PROPOSAL: SAUDI REACTION
TAGS: EFIN
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006